Homework # 2
due Nov 25

Problem 1: Consider the production functions given in exercise 5.C.9 in MWG. For each production function, find the conditional factor demand functions and the cost function, as well as the profit maximizing output supply function, the unconditional factor demand functions, and the profit function. Do not forget to specify the arguments each function depends on.

Problem 2: Do exercise 5.C.13 in MWG. In doing so, it might be helpful to think of similarities to what we learned on the consumption side, and in particular of Roy's identity.

Problem 3: Do exercise 6.C.15 in MWG.